

Department of Energy  
Richland Operations Office  
P.O. Box 550  
Richland, Washington 99352

0061605

APR 12 2004

04-OES-0037

Mr. Nicholas Ceto, Program Manager  
Office of Environmental Cleanup  
Hanford Project Office  
U.S. Environmental Protection Agency  
712 Swift Boulevard, Suite 5  
Richland, Washington 99352

RECEIVED  
APR 19 2004  
EDMC

Dear Mr. Ceto:

HANFORD FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY AGREEMENT) INTERIM MILESTONE M-34-18B, "COMPLETE REMOVAL OF ALL K BASIN SPENT NUCLEAR FUEL" AND TRI-PARTY AGREEMENT TARGET MILESTONE M-34-25-T01 "COMPLETE TRANSFER OF K EAST BASIN SPENT NUCLEAR FUEL TO K WEST"

The purpose of this letter is to inform the U.S. Environmental Protection Agency (EPA) that Tri-Party Agreement Interim Milestone M-34-18B and Tri-Party Agreement Target Milestone M-34-25-T01 are in jeopardy for the Spent Nuclear Fuel Project. These milestones state "Complete Removal of all K Basin Spent Nuclear Fuel," by July 31, 2004, and "Complete Transfer of K East Basin Spent Nuclear Fuel to K West," by May 31, 2004, respectively.

As of April 5, 2004, about 1,740 Metric Tons of Heavy Metal (MTHM) have been removed from the K Basins with an additional 72 (estimated) multi-canister overpacks (MCOs) remaining to be shipped to meet this date. However, the contractor is encountering increasingly degraded fuel which is contributing to increased production time. The degraded fuel is adding fuel particulates to the basin water which results in elevated airborne radioactivity, additional personnel protection controls, increased equipment maintenance, and additional fuel washing cycles. Due to this condition, the contractor has notified the DOE Richland Operations Office (RL) by letter (attached) that the milestone is in jeopardy and may be missed by up to three months. The degraded fuel conditions have been made known to RL and to EPA during regularly scheduled meetings. The contractor is evaluating options to resolve the conditions caused by degraded fuel and to increase productivity.

RL has taken several formal actions to assist/motivate the contractor to meet these milestones. In addition RL informally interfaces with the contractor via e-mail and meetings. The actions RL has taken are summarized below:

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- Eliminated batch cleanouts;
- Eliminated controls at Cold Vacuum Drying Facility to decrease drying times;
- Modified equipment safety designations to minimize maintenance requirements;
- Encouraged FHI to develop standing recovery plans in order to minimize downtimes; and
- Required recovery plan due to low production rates and poor fuel quality.

Although the contractor has not formally notified RL that these milestones will not be met, it is our belief that they will be missed.

We will continue to keep you and your staff advised of our progress. If there are any questions regarding the above information, please contact me, or your staff may contact Matt McCormick, Assistant Manager for the Central Plateau, on (509) 373-9971, or Joel Hebdon, Director, Office of Environmental Services, on (509) 376-6657.

Sincerely,



Keith A. Klein  
Manager

AMCP:SKM

Attachment

cc w/attach:

A. C. Crawford, FHI  
L. D. Crass, FHI  
L. E. Gadbois, EPA  
S. Harris, CTUIR  
J. S. Hertz, FHI  
R. Jim, YN  
T. M. Martin, HAB  
J. D. Mathews, FHI  
E. J. Murphy-Fitch, FHI  
K. Niles, OOE  
R. E. Piippo, FHI  
P. Sobotta, NPT  
R. F. Stanley, Ecology  
D. J. Watson, FHI  
M. A. Wilson, Ecology  
Administrative Record  
Environmental Portal

Fluor Hanford  
P.O. Box 1000  
Richland, Washington 99352

# FLUOR

MAR 16 2004

FH-0400727  
CONTRACT NO. DE-AC06-96RL13200

Mr. Keith A. Klein, Manager  
U.S. Department of Energy A7-50  
Richland Operations Office  
Post Office Box 550  
Richland, Washington 99352

Dear Mr. Klein:

PHMC SECTION C.2.1.1.1 AND C.5.1 – K BASIN DEACTIVATION – HANFORD  
FEDERAL FACILITY AGREEMENT AND CONSENT ORDER (TRI-PARTY  
AGREEMENT) INTERIM MILESTONE M-34-18B IN JEOPARDY

The purpose of this letter is to inform RL that Tri-Party Agreement Interim Milestone M-34-18B, "Complete Removal of all K Basin Spent Nuclear Fuel," due July 31, 2004, is in jeopardy of being missed.

Due to the increasingly degraded condition of fuel we are experiencing and the increased time it is taking to clean and repackage this fuel into multi-canister overpacks in the K West Basin, earlier established production schedules are at risk. It is FH's intent to aggressively work towards meeting this milestone but after a thorough review of the current state of the fuel and the conditions and limitations associated with the cleaning and packaging of spent nuclear fuel (SNF), it is FH's recommendation that RL formally notify the U.S. Environmental Protection Agency (EPA) that interim milestone M-34-18B is in jeopardy of being missed.

The safety of our workforce continues to be everyone's focus at the SNF Project. Radiological conditions in the basins have dictated more frequent usage of respiratory protection for the workforce. This has also had an influence on productivity.

The project intends to explore all avenues to achieve this milestone. We will continue to provide members of your staff and the EPA status of this work at our regularly scheduled biweekly meetings. Our current projection is that completion of this interim milestone could be one to three months late in a fuel removal schedule that has spanned approximately 27 months from its initiation.

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DOE-RL/RLCC

Mr. Keith A. Klein

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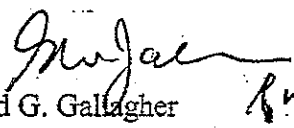
MAR 16 2004

FH-0400727

CONTRACT NO. DE-AC06-96RL13200

Technical questions should be directed to Mr. A. C. Crawford on 373-5457; contractual questions should be referred to Mr. S. W. Bork on 376-5212.

Very truly yours,

  
Ronald G. Gallagher  
President and  
Chief Executive Officer

pld

RL - L. D. Earley  
J. B. Hebdon  
D. E. Jackson  
S. J. Olinger  
D. S. Shoop  
S. A. Sieracki